

FISCAL NOTE
HB 2587 - SB 3209

March 8, 2000

SUMMARY OF BILL: Requires TennCare to ascertain the facts supporting any application for TennCare. The Department of Health is to develop requirements to ensure eligibility processes for TennCare are sufficient to prevent ineligible from receiving benefits. Requires annual reverification of enrollees and creates a Class E felony offense for falsely obtaining medical assistance. Authorizes the recovery of any benefits that are paid based on fraudulent information.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase State Expenditures - \$4,500/Incarceration*

Increase State Revenues - Not Significant

Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$100,000

Assumes:

- changing the statutory requirement to investigate all applications will increase the necessary staff involved in the application process. Current law allows investigations to be made *as necessary*. The amount of such increase cannot be determined but is estimated to exceed \$100,000 in state expenditures with a corresponding increase in federally funded expenditures, since administrative expenditures are funded 50% state and 50% federal.
- one Class E felony conviction each year and some recovery of fraudulent payments which is estimated to be not significant.

*Section 9-6-119, TCA, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 2587 - SB 3209